

## Microfinance lends a support to women entrepreneurs

**Raipur, December, 2018:** Nirmala Singh, a resident of Adarsh Nagar in Chhattisgarh, has a family of five members. Earlier, she used to be a housewife and her husband used to run a small bicycle repairing shop. Her husband was the only source of income which hardly met the basic requirements of the family. Nirmala had always been willing to start a venture of her own and contribute to the family's income. However, capital was a major requirement to start her own business. She came to know about Sambandh Finserve, a Non-banking Financial Company-Microfinance Institution (NBFC-MFI) that provides collateral free micro-loans to the low-income households in her area. She joined a Joint Liability Group (JLG) of Sambandh and received training on money management. After that she took a loan of Rs 20,000 to start an in-house stationary-cum-fancy store. Since then she never looked back and over the time, she started repaying the instalments and improved the standard of living of her family. Currently, she is in her third cycle of loan which she had invested in increasing the stock at her shop due to increase in demand. Through Sambandh she has not only received monetary support but also learnt money management, budgeting and importance of savings, thus ensuring a bright future for her children and better financial status of her family.

Sambandh Finserve is one of the leading NBFC-MFIs working in Chhattisgarh. The company provides micro-credit services in around 19 districts of Jharkhand, Orissa and Chhattisgarh. In its endeavour to provide easy access to financial services to its clients it has impacted over a lakh lives. The company has helped many local women entrepreneurs to improve their economic status and realise their dreams to improve their quality of life.

According to Microfinance Institutions Network, a self-regulatory organisation and an industry association of microfinance industry in India, women constitute 99% of micro-credit beneficiaries in the country. Microfinance institutions such as NBFC-MFIs are working towards providing an easy access to financial services to underserved and unbanked population in India.

NBFC-MFIs are the only regulated financial institutions in the country which give unsecured loans to the borrowers from low income households. These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. The aim of NBFC-MFIs is to build sustainable livelihoods. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda.

NBFC-MFIs are an important partner for Prime Minister MUDRA Yojana and almost 50% of the loan disbursements under this programme have been done through microfinance companies. NBFC MFIs are registered with the Reserve Bank of India and are stringently regulated right from the size of loan, the tenure, the rate of interest and a Fair Practices Code (FPC) and an Industry Code of Conduct (CoC) which governs their functioning. The Reserve Bank conducts regular supervision of all NBFC MFIs.